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Governor Sean Parnell
STATE OF ALASKA

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March 4, 2010

Colonel Reinhard W. Koenig
District Commander
U.S. Army Corps of Engineers, Alaska District
P.O. Box 6898
Elmendorf AFB, Alaska 99506-0898

Dear Colonel Koenig,

I am writing to urge you to withdraw the U.S. Army Corps of Engineer's denial of ConocoPhillips Alaska's permit application for the CD-5 Alpine Satellite Development in the Colville River Unit on Alaska's North Slope. Federal regulations require that the decision be withdrawn because the permit application should have been referred to division engineers for resolution under 33 C.F.R. § 325.8(b)(2).

33 C.F.R. § 325.8(b)(2) requires district engineers to refer a decision to issue or deny permits to the division engineer for resolution when the recommended decision is contrary to the written position of the Governor of the state in which the work will be performed. The work for which ConocoPhillips requested a permit would have taken place in Alaska. I made my support for the permit clear to the district through a July 10, 2009 letter, by my Commissioner of the Department of Natural Resources (enclosed). Further, I met with you personally on December 1, 2009 to reiterate my strong support for the permit. Finally, a January 22, 2010 article in the Alaska Journal of Commerce, issued less than two weeks before the decision, contains my statements expressing support for the permit. It was impossible, therefore, for the division to be unaware that its recommendation was contrary to my position. It erred in failing to refer the permit application to the division engineer.

In the alternative, I request that you reconsider your decision denying ConocoPhillips' Alpine CD-5 permit request. As I have repeatedly stated, ConocoPhillips' request enjoys strong support by the State of Alaska, as well as the local City of Nuiqsut. Before ConocoPhillips submitted its plan to the U.S. Army Corps of Engineers, it worked for many years with Alaska's Department of Natural Resources and local organizations to reach agreement on its plan of development.

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The Department of Natural Resources thoroughly reviewed potential impacts on subsistence users, fish, wildlife, and water quality in the project area and we are satisfied that ConocoPhillips' plan adequately addresses any concerns. I urge you to reconsider your decision denying the permit.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean Parnell", written in a cursive style.

Sean Parnell
Governor

Enclosure

cc Brigadier General Mark Yenter, Division Commander, ESAED, Pacific Ocean Division

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

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July 10, 2009

Colonel Reinhard W. Koenig
Alaska District Engineer
P. O. Box 6898
Elmendorf AFB, AK 99506-0898

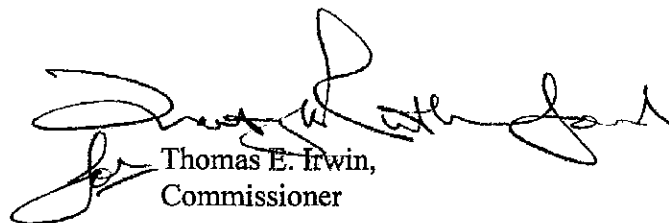
Dear Colonel Koenig;

I have reviewed the July 6, 2009 letter to you from the Environmental Protection Agency Region 10, recommending denial of the 404 permit for the Conoco Phillips Alaska, Inc. (CPAI) Alpine CD-5 Satellite Development project, pending further analysis and preparation of a Supplemental EIS. I believe this would lead to an unnecessary delay in the project of a year or more.

The CD-5 project as proposed represents a coordinated effort between CPAI and the Village of Nuiqsut. For the Department of Natural Resources, review of plans for CD-5 began in 2003 as part of the Alpine Satellite Development Plan Environmental Impact Statement (ASDP EIS), which was finalized in September 2004. Throughout the EIS process aspects of the CD-5 project were evaluated for their potential impacts to subsistence users, fish, wildlife, and water quality in the project area. As a result of the EIS process and the permit review process, the CD-5 project has been refined and modified to incorporate key design changes and new hydrologic data to reduce the potential for impacts to local subsistence users and to reduce the potential for environmental impacts to the Colville River Delta area. One of the most significant changes to the project is CPAI's current plan to span the entirety of the Nigliq Channel, designed to significantly reduce the potential for scour and the need for long-term maintenance. This bridge will be the first full spanning bridge of a river distributary channel on the North Slope.

With these design changes, in addition to local support from the City and Village of Nuiqsut, I support the CD-5 project as proposed. Thus, I urge you not to deny the issuance of CPAI's permit application on the basis of EPA's letter and further stress that a Supplemental EIS is unnecessary for this important project.

Sincerely,



Thomas E. Irwin,
Commissioner

cc: Bruce St. Pierre, CPAI

"Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans"